

18 April 1974

MEMORANDUM FOR: Director of Central Intelligence

FROM : Deputy Director for Intelligence

SUBJECT : Soviet Economic and Technological
Benefits from Detente

1. Last week you sent me a memo relaying some criticism of the OER paper on the Soviet economic and technical benefits flowing from detente. The criticism was that the paper was unduly soporific in its impact on possible US efforts to restrain the leakage of military-related technology. Your memorandum concludes with an injunction that our evaluations of foreign situations should give special attention to how they might impact on the US, in order to increase their relevancy to our decision-making processes.

2. In my view the paper accomplished two objectives with respect to relevancy to our decision-making processes. First, it concluded that the overall effects on Soviet economic growth resulting from detente-generated US-Soviet trade will be small. A corollary of this conclusion is directly related to US decision-making: The Soviet economic motivation for increased trade with the US is not so great as to induce the Soviets to make important concessions in political and military negotiations. OER and OCI are now preparing a follow-on paper, in a question-and-answer format, which expands on the nature of the specific economic benefits the Soviets might expect from US trade.

3. Secondly, the paper concludes that "Moscow could benefit substantially...if it is able to acquire key military-related technology under the umbrella of detente". This constitutes a warning to US decision-makers that care must be taken in relaxing export controls.

The technology at issue is not the kind that supports the Kama Plant or a new oil pipeline to the Far East. Better trucks and POL distribution are not the kinds of technology that are of great military concern. But the benefits of certain high technology sectors of the West like computers and advanced electronics might well make a substantial difference in the time and costs involved in the Soviet acquisition of military capabilities. Although the paper raises this issue, it does not examine in detail the specific areas of technology where this may be true. In this respect the criticism you raise is valid.

4. What is needed is a direct attack on the question of military-related technology with emphasis on the high technology products and production know-how that are especially important for strategic military programs. Such a study should be undertaken by the S&T organizations in the intelligence community. I am sending a copy of this memorandum to the DDS&T with the suggestion that he organize such a study, perhaps under the aegis of the Scientific Intelligence Committee of USIB perhaps with participation from ISA and DDR&E. The results of such a study would be very useful in the review of the COCOM list which is scheduled for later this year.

5. Directly related to this problem of the export of technology is the problem of the informal access to technology which the Soviets are getting through visits and discussions with US scientists and industrial firms. This kind of access has increased markedly under the detente atmosphere and is very difficult to control. 25X1
25X1

EDWARD W. PROCTOR
Deputy Director for Intelligence

cc: DDCI
D/DCI/IC
D/DCI/NIO
DDS&T
DDO
D/OER

10 April 1974

MEMORANDUM FOR: Deputy Director for Intelligence

INFO : Deputy Director of Central Intelligence
Deputy to the DCI for the Intelligence
Community
Deputy to the DCI for National Intelligence
Officers

SUBJECT : Soviet Economic and Technological Benefits
from Detente

1. I had some free criticism on this paper from certain outside readers, which I will share with you. The basic comment was that the fundamental line of the paper, to the effect that U. S. technology is not apt to produce major impact on the Soviet economy, was thought to be unduly soporific in its impact on possible U. S. efforts to restrain the leakage of military-related technology which the report itself notes could be of value to the Soviets. There may be some political position involved in this criticism, but I thought I would share it with you.

2. I think the basic theme of the report is accurate, and certainly its subject matter was specifically the impact of Soviet economic and technological benefits rather than the military benefits. We certainly have no doubts as to the accuracy of our judgment in this regard, either. At the same time, perhaps the military-related point comes in as a bit too much of an afterthought in view of its significance in U.S.-Soviet relations and the balance of power. Certainly let us not rewrite all our papers into scare papers, and let us try to give an accurate reflection of the problems we face rather than merely crying Wolf, Wolf. At the same time, I think there is some justice in the contention that the intelligence community exists primarily for its contribution to the national security and welfare. Thus our evaluations of foreign situations should give special attention to how they might impact on the U. S., in order to increase their relevancy to our decision-making processes.

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W. E. Colby
Director

Confidential



Intelligence Report

Soviet Economic and Technological Benefits from Detente

Confidential

ER IR 74-2
February 1974

Routing Slip

TO:

		ACTION	INFO.			ACTION	INFO.
1	DCI			11	IC		
2	DDCI			12	IG		
3	S/MC			13	Compt		
4	DDS&T			14	Asst/DCI		
5	DDI	✓		15	AO/DCI		
6	DDM&S			16	Ex/Sec		
7	DDO			17			
8	D/DCI/IC			18			
9	D/DCI/NIO			19			
10	GC			20			

SUSPENSE

Date

Remarks:

Good - Can you
prepare a talking
paper for me for
June PFAB? -